

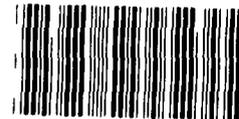
GAO

Fact Sheet for the Chairman,
Subcommittee on Employment and
Housing, Committee on Government
Operations
House of Representatives

June 1986

RENTAL HOUSING

Potential Reduction in the Privately Owned and Federally Assisted Inventory



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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

RESOURCES, COMMUNITY,
AND ECONOMIC DEVELOPMENT
DIVISION

B-223321

June 16, 1986

The Honorable Barney Frank
Chairman, Subcommittee on Employment
and Housing
Committee on Government Operations
House of Representatives

Dear Mr. Chairman:

Your office expressed interest on March 11, 1986, about retention of the privately owned and federally assisted rental housing inventory as lower income housing. Specifically, your office requested information on (1) the current (1985) inventory of privately owned rental housing with project-based federal assistance and (2) the potential impact of expiring section 8 contracts and mortgage prepayment restrictions on this inventory.

The privately owned and federally assisted inventory includes units assisted under the Department of Housing and Urban Development's (HUD) section 8 rental assistance program, excluding tenant-based assistance such as existing housing certificates and housing vouchers; section 236 interest rate subsidy program; section 221(d)(3) below market interest rate (BMIR) program; section 101 rent supplement program; and section 201 flexible subsidy program. The inventory also includes federally insured units with mortgages assigned to HUD (HUD-held) because of loan defaults and units assisted under the Farmers Home Administration (FmHA) section 515 direct loan program.

Section 1 summarizes our analysis of the inventory for fiscal years 1985, 1995, and 2005. We estimated that the fiscal year 1985 inventory was 1.9 million units. Expiring section 8 contracts and mortgage prepayments would reduce this inventory. We estimate that the fiscal year 1995 inventory could range from 1.0 to 1.7 million units and the fiscal year 2005 inventory could range from 174,000 to 850,000 units. The inventory will be larger as new units are added after fiscal year 1985. However, we had no basis to estimate future additions. Section 2 provides the details of our analysis.

Data used to estimate the fiscal year 1985 inventory were obtained from HUD's Section 8 Management Information System and Multifamily Insured and Direct Loan Information System (MIDLIS). We did not verify the accuracy of HUD's data. The estimated fiscal year 1985 FmHA section 515 inventory was derived from a

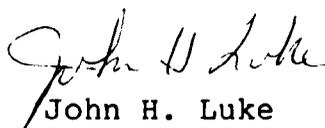
March 1985 Congressional Research Service (CRS) study entitled Housing in Rural Areas. HUD-held inventory data were obtained from HUD's Summary of Mortgage Insurance Operations, Fiscal Year 1985.

We estimated the inventory for fiscal years 1995 and 2005 using assumptions about section 8 contract renewals and mortgage prepayments. Our minimum inventory estimates assumed that (1) section 8 project owners will not renew their contracts at the next renewal period and (2) limited distribution and profit-motivated owners of HUD-insured and assisted projects and all owners of FmHA projects will prepay their mortgages after a 20-year restriction period. Our maximum inventory estimates assumed that (1) section 8 project owners will renew their contracts for the total contract term allowable and (2) limited distribution and profit-motivated owners of HUD-insured and assisted projects and all owners of FmHA projects will hold their loans until maturity, generally 40 years and 50 years, respectively. We assumed that the fiscal year 1985 HUD-held inventory will either be acquired by HUD or put back into the private market with some type of federal assistance before 1995. We excluded the HUD-held inventory from our fiscal years 1995 and 2005 estimates because of the current policy shift towards providing tenant-based assistance.

We discussed the contents of this fact sheet with HUD program officials. They agreed with our methodology, but felt that the fiscal year 1995 inventory would tend to be closer to our maximum estimate. They said that past experience has shown that about 80 percent of the HUD-held units have been retained as federally assisted units and that most section 8 owners have opted to renew their contracts. We intentionally show minimum and maximum inventory estimates because the actual inventory will depend on future uncertainties, such as project marketability and the availability and type of federal assistance.

As arranged with your office, we are sending copies of this fact sheet to the Chairman, Subcommittee on Housing and Community Development, House Committee on Banking, Finance, and Urban Affairs; the Secretary of Housing and Urban Development; and the Secretary of Agriculture. Copies also will be available to other interested parties who request them. If you have further questions, please contact me at (202) 275-6111.

Sincerely yours,



John H. Luke
Associate Director

C o n t e n t s

SECTION		<u>Page</u>
1	SUMMARY OF THE PRIVATELY OWNED AND FEDERALLY ASSISTED INVENTORY, FISCAL YEARS 1985, 1995, AND 2005	5
	Figure 1.1: Fiscal year 1985 inventory of privately owned and assisted units	6
	Table 1.1: Inventory of privately owned rental units with project-based federal assistance, fiscal year 1985	7
	Figure 1.2: Fiscal year 1995 potential inventory of privately owned and assisted units	8
	Table 1.2: Inventory of privately owned rental units with project-based federal assistance, fiscal year 1995	9
	Figure 1.3: Fiscal year 2005 potential inventory of privately owned and assisted units	10
	Table 1.3: Inventory of privately owned rental units with project-based federal assistance, fiscal year 2005	11
2	DETAILED ANALYSIS OF THE PRIVATELY OWNED AND FEDERALLY ASSISTED INVENTORY AND THE POTENTIAL REDUCTION FROM EXPIRING FEDERAL USE RESTRICTIONS	13
	Table 2.1: Section 8 units completed during fiscal years 1975-85	14
	Table 2.2: Potential reduction in section 8 inventory from expiring contracts, assuming minimum contract terms	16
	Table 2.3: Potential reduction in section 8 inventory from expiring contracts, assuming maximum contract terms	18
	Table 2.4: Section 8 contract terms used for units completed during fiscal years 1975-79 and 1980-85	20

Table 2.5: HUD-insured and assisted units as of April 1986	22
Table 2.6: Potential reduction in HUD-insured and assisted inventory from expiring mortgage prepayment restrictions, fiscal years 1995 and 2005	24
Table 2.7: Age of HUD-insured and assisted units with limited distribution or profit- motivated owners as of April 1986	25
Table 2.8: FmHA section 515 units, fiscal years 1974-85	26
Table 2.9: Potential reduction in FmHA section 515 units from expiring mortgage prepayment restrictions	27
Table 2.10: HUD-held units as of September 30, 1985	28

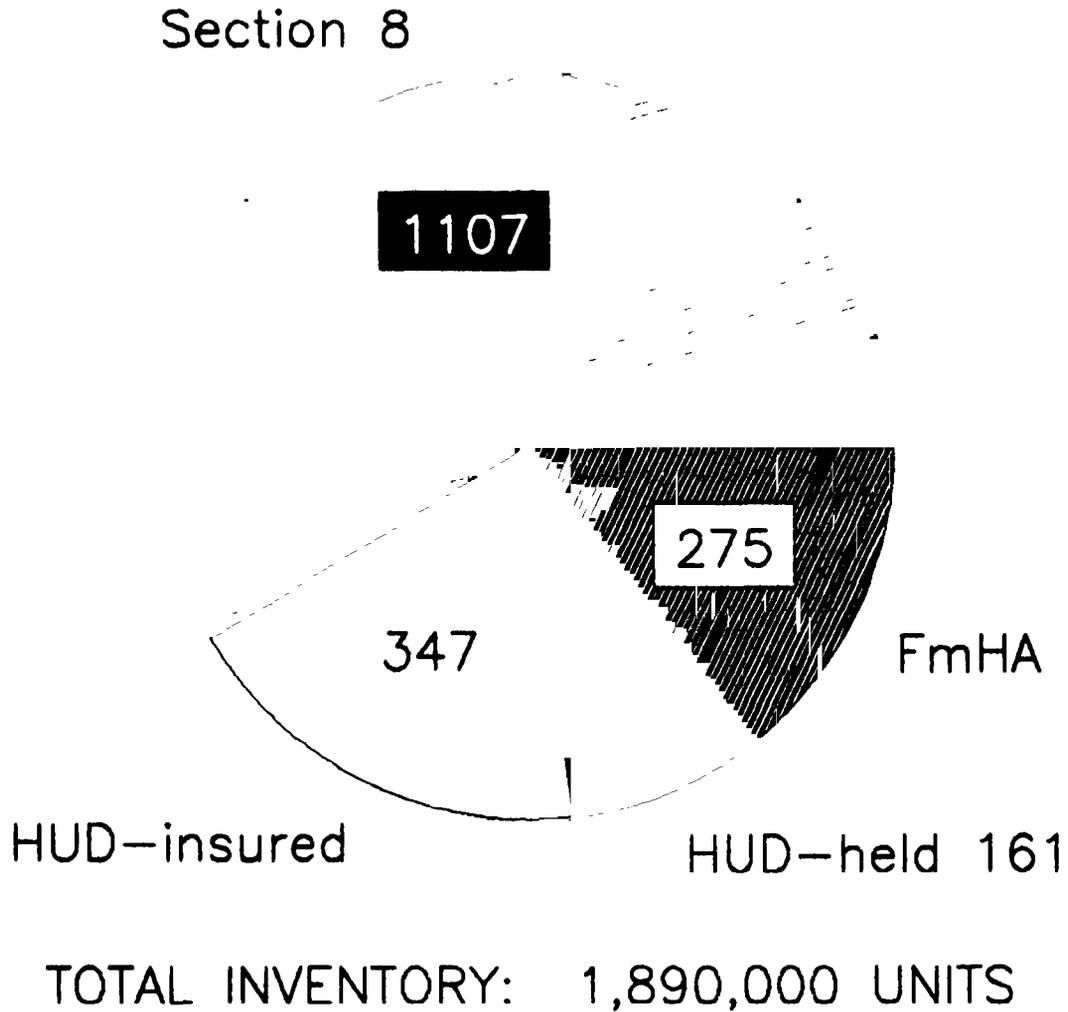
ABBREVIATIONS

BMIR	below market interest rate
CRS	Congressional Research Service
FmHA	Farmers Home Administration
GAO	General Accounting Office
HFDA	housing finance development agency
HUD	Department of Housing and Urban Development
MIDLIS	Multifamily Insured and Direct Loan Information System
NSA	neighborhood strategy area

SECTION 1

SUMMARY OF THE PRIVATELY OWNED
AND FEDERALLY ASSISTED INVENTORY
FISCAL YEARS 1985, 1995, AND 2005

Figure 1.1
Fiscal Year 1985 Inventory of
Privately Owned and Assisted Units
(in thousands)



Source: HUD and CRS data.

Table 1.1
Inventory of Privately Owned Rental Units
With Project-Based Federal Assistance
Fiscal Year 1985

<u>Program</u>	<u>Units^a</u>
Section 8 inventory ^b	
New construction	614
Substantial rehabilitation	114
Moderate rehabilitation	92
Loan management	130
Property disposition ^c	20
Other ^d	<u>137</u>
Total	<u>1,107</u>
HUD-insured and assisted inventory ^e	
Section 236	224
Section 221(d)(3)BMIR	90
Section 221(d)(3)market	26
Section 221(d)(4)market	1
Other programs	<u>6</u>
Total	<u>347</u>
FmHA section 515 inventory ^f	275
HUD-held inventory ^g	<u>161</u>
Total	<u>1,890</u>

^aRounded to the nearest thousand.

^bData represent all units completed through fiscal year 1985 and were obtained from HUD's Section 8 Management Information System.

^cSection 8 assistance provided with the sale of HUD-owned properties.

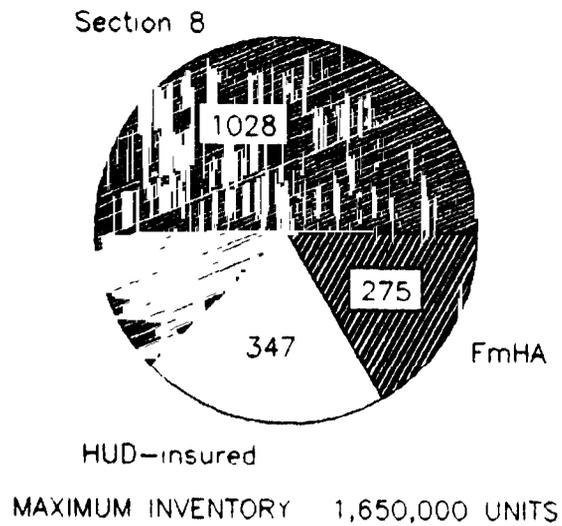
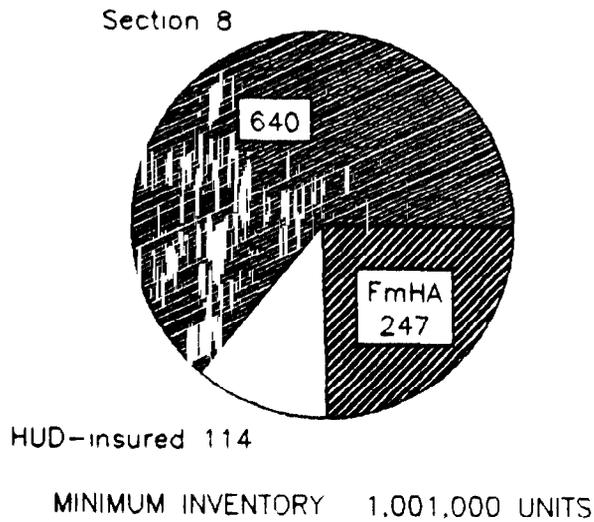
^dOther section 8 assistance, including the conversion of units receiving section 23 and rent supplement assistance to section 8 assistance.

^eIncludes units receiving interest rate reduction, rent supplement, or flexible subsidies; excludes units receiving section 8 assistance. Data were obtained from HUD MIDLIS and reflect units with insurance in force as of April 1986. We do not believe that the 7-month time difference shown for these programs and the other programs would materially affect the total inventory because limited new federal assistance was provided during this period.

^fData were derived from Housing in Rural Areas, CRS, Mar. 1985. Figure includes only units receiving interest credits, excluding those units receiving section 8 assistance.

^gData were obtained from HUD's Summary of Mortgage Insurance Operations, Fiscal Year 1985.

Figure 1.2
Fiscal Year 1995 Potential Inventory of
Privately Owned and Assisted Units
 (in thousands)



Source: GAO analysis of HUD and CRS data.

Table 1.2
Inventory of Privately Owned Rental Units
With Project-Based Federal Assistance
Fiscal Year 1995

<u>Program</u>	<u>FY 1985</u> <u>inventory</u> - - (units	<u>FY 1995 inventory</u> <u>Minimum^a Maximum^b</u> in thousands) - -	
Section 8 inventory			
New construction	614	451	614
Substantial rehabilitation	114	77	114
Moderate rehabilitation	92	92	92
Loan management	130	0	90
Property disposition	20	20	20
Other	<u>137</u>	<u>0</u>	<u>98</u>
Total	<u>1,107</u>	<u>640</u>	<u>1,028</u>
HUD-insured and assisted inventory			
Section 236	224	60	224
Section 221(d)(3)BMIR	90	36	90
Section 221(d)(3)market	26	14	26
Section 221(d)(4)market	1	0	1
Other programs	<u>6</u>	<u>4</u>	<u>6</u>
Total	<u>347</u>	<u>114</u>	<u>347</u>
FmHA section 515 inventory	275	247	275
HUD-held inventory	<u>161^c</u>	<u>d</u>	<u>d</u>
Total	<u>1,890</u>	<u>1,001</u>	<u>1,650</u>

^aAssumes minimum section 8 contract terms and that all eligible owners will prepay their mortgages by the end of fiscal year 1995.

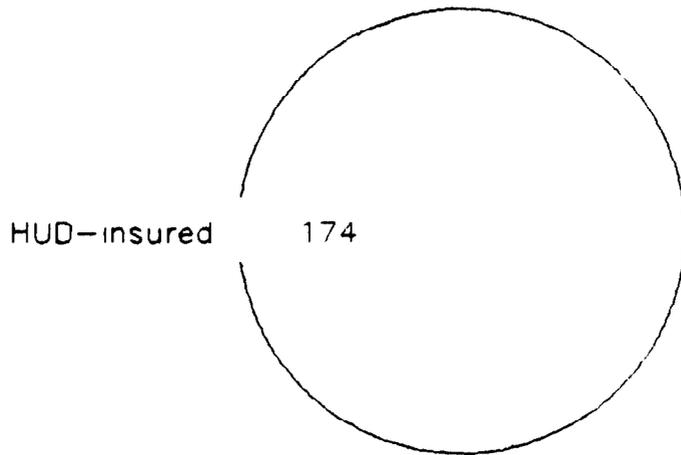
^bAssumes maximum section 8 contract terms and that all eligible owners will hold their insured loans until maturity.

^cAssumes that the HUD-held inventory will either be acquired by HUD or put back into the private market with some type of federal assistance.

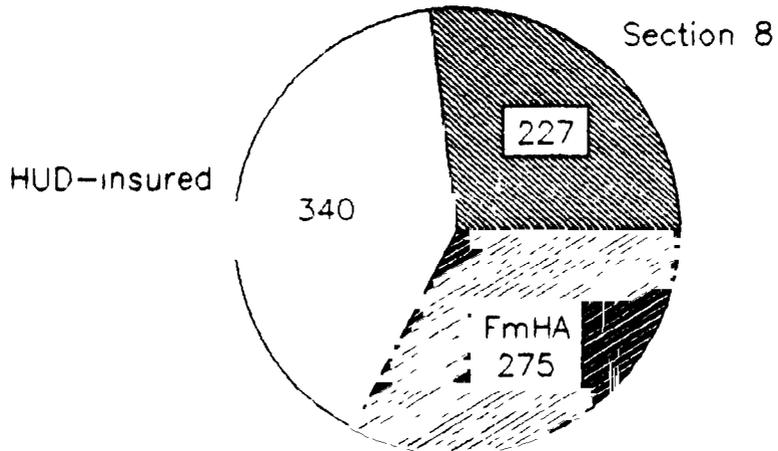
^dThe HUD-held inventory depends on the physical and financial conditions of projects, which we did not evaluate. The HUD-held inventory is expected to increase as project conditions deteriorate.

Source: GAO analysis of HUD and CRS data.

Figure 1.3
Fiscal Year 2005 Potential Inventory of
Privately Owned and Assisted Units
 (in thousands)



MINIMUM INVENTORY 174,000 UNITS



MAXIMUM INVENTORY 842,000 UNITS

Source: GAO analysis of HUD and CRS data.

Table 1.3
Inventory of Privately Owned Rental Units
With Project-Based Federal Assistance
Fiscal Year 2005

<u>Program</u>	<u>FY 1985</u> <u>inventory</u>	<u>FY 2005 inventory</u>	
	-	<u>Minimum^a</u>	<u>Maximum^b</u>
	-	in thousands)	
	-	-	-
Section 8 inventory			
New construction	614	0	177
Substantial rehabilitation	114	0	50
Moderate rehabilitation	92	0	0
Loan management	130	0	0
Property disposition	20	0	0
Other	<u>137</u>	<u>0</u>	<u>0</u>
Total	<u>1,107</u>	<u>0</u>	<u>227</u>
HUD-insured and assisted inventory			
Section 236	224	109	224
Section 221(d)(3)BMIR	90	47	84
Section 221(d)(3)market	26	14	26
Section 221(d)(4)market	1	0	1
Other programs	<u>6</u>	<u>4</u>	<u>5</u>
Total	<u>347</u>	<u>174</u>	<u>340</u>
FmHA section 515 inventory	275	0	275
HUD-held inventory	<u>161^c</u>	<u>d</u>	<u>d</u>
Total	<u>1,890</u>	<u>174</u>	<u>842</u>

^aAssumes minimum section 8 contract terms and that all eligible owners will prepay their mortgages by the end of fiscal year 1995.

^bAssumes maximum section 8 contract terms and that all eligible owners will hold their insured loans until maturity.

^cAssumes that the HUD-held inventory will either be acquired by HUD or put back into the private market with some type of federal subsidy.

^dThe HUD-held inventory depends on the physical and financial conditions of projects, which we did not evaluate. The HUD-held inventory is expected to increase as project conditions deteriorate.

Source: GAO analysis of HUD and CRS data.

SECTION 2

DETAILED ANALYSIS OF THE PRIVATELY OWNED AND
FEDERALLY ASSISTED INVENTORY AND THE POTENTIAL
REDUCTION FROM EXPIRING FEDERAL USE RESTRICTIONS

Table 2.1
Section 8 Units Completed
During Fiscal Years 1975-85

<u>Year completed</u>	<u>New construction</u>	<u>Substantial rehabilitation</u>	<u>Moderate rehabilitation</u>	<u>Loan management</u>
1975	178	0	0	0
1976	4,790	733	0	105
1977	19,936	4,292	0	0
1978	46,059	7,685	0	22,240
1979	91,304	8,882	0	16,020
1980	119,366	15,936	0	1,880
1981	119,398	22,081	4,896	1,037
1982	77,382	21,437	11,366	52,105
1983	68,096	17,162	12,063	9,126
1984	47,965	13,017	48,621	15,450
1985	<u>19,251</u>	<u>2,940</u>	<u>14,849</u>	<u>12,346</u>
Total	<u>613,725</u>	<u>114,165</u>	<u>91,795</u>	<u>130,309</u>

Source: HUD Section 8 Management Information System.

<u>Property disposition</u>	<u>Other</u>	<u>Total section 8 inventory</u>	<u>Cumulative inventory</u>
0	0	178	178
0	0	5,628	5,806
430	0	24,658	30,464
157	1,300	77,441	107,905
373	100	116,679	224,584
91	37,152	174,425	399,009
3,479	0	150,891	549,900
5,906	86	168,282	718,182
4,873	64,078	175,398	893,580
2,489	29,624	157,166	1,050,746
<u>1,865</u>	<u>4,924</u>	<u>56,175</u>	<u>1,106,921</u>
<u>19,663</u>	<u>137,264</u>	<u>1,106,921</u>	

Table 2.2
Potential Reduction In Section 8 Inventory From
Expiring Contracts, Assuming Minimum Contract Terms

<u>Year expires</u>	<u>New construction</u>	<u>Substantial rehabilitation</u>	<u>Moderate rehabilitation</u>	<u>Loan management</u>
1985	178	0	0	1,880
1986	4,790	733	0	1,142
1987	19,936	4,292	0	52,105
1988	46,059	7,685	0	31,366
1989	91,304	8,882	0	31,470
1990	0	0	0	12,346
1991	0	0	0	0
1992	0	0	0	0
1993	0	0	0	0
1994	0	0	0	0
1995	0	15,936	0	0
1996	0	22,081	4,896	0
1997	0	21,437	11,366	0
1998	0	17,162	12,063	0
1999	0	13,017	48,621	0
2000	119,366	2,940	14,849	0
2001	119,398	0	0	0
2002	77,382	0	0	0
2003	68,096	0	0	0
2004	47,965	0	0	0
2005	<u>19,251</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>613,725</u>	<u>114,165</u>	<u>91,795</u>	<u>130,309</u>

Source: GAO analysis of HUD data.

<u>Property disposition</u>	<u>Other</u>	<u>Total section 8 reductions</u>	<u>Cumulative reductions</u>
0	37,152	39,210	39,210
0	0	6,665	45,875
0	86	76,419	122,294
0	65,378	150,488	272,782
0	29,724	161,380	434,162
0	4,924	17,270	451,432
0	0	0	451,432
0	0	0	451,432
0	0	0	451,432
57	0	57	451,489
0	0	15,936	467,425
3,178	0	30,155	497,580
5,610	0	38,413	535,993
3,250	0	32,475	568,468
1,852	0	63,490	631,958
1,711	0	138,866	770,824
301	0	119,699	890,523
726	0	78,108	968,631
1,780	0	69,876	1,038,507
953	0	48,918	1,087,425
245	0	19,496	1,106,921
<u>19,663</u>	<u>137,264</u>	<u>1,106,921</u>	

Table 2.3
Potential Reduction In Section 8 Inventory From
Expiring Contracts, Assuming Maximum Contract Terms

<u>Year expires</u>	<u>New construction</u>	<u>Substantial rehabilitation</u>	<u>Moderate rehabilitation</u>	<u>Loan management</u>
1985	0	0	0	0
1986	0	0	0	0
1987	0	0	0	0
1988	0	0	0	0
1989	0	0	0	0
1990	0	0	0	0
1991	0	0	0	105
1992	0	0	0	0
1993	0	0	0	22,240
1994	0	0	0	16,020
1995	178	0	0	1,880
1996	1,710	414	4,896	1,037
1997	10,608	2,197	11,366	52,105
1998	31,208	6,119	12,063	9,126
1999	64,310	5,680	48,621	15,450
2000	82,452	10,610	14,849	12,346
2001	88,213	13,926	0	0
2002	60,064	10,610	0	0
2003	47,787	7,433	0	0
2004	34,561	5,922	0	0
2005	16,018	1,449	0	0
2006	0	0	0	0
2007	0	0	0	0
2008	0	0	0	0
2009	0	0	0	0
2010	0	0	0	0
2011	0	0	0	0
2012	12	0	0	0
2013	0	0	0	0
2014	0	0	0	0
2015	0	0	0	0
2016	3,080	319	0	0
2017	9,328	2,095	0	0
2018	14,851	1,566	0	0
2019	26,994	3,202	0	0
2020	36,914	5,326	0	0
2021	31,185	8,155	0	0
2022	17,306	10,827	0	0
2023	20,309	9,729	0	0
2024	13,404	7,095	0	0
2025	3,233	1,491	0	0
Total	<u>613,725</u>	<u>114,165</u>	<u>91,795</u>	<u>130,309</u>

Source: GAO analysis of HUD data.

<u>Property disposition</u>	<u>Other</u>	<u>Total section 8 reductions</u>	<u>Cumulative reductions</u>
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	105	105
0	0	0	105
0	1,300	23,540	23,645
57	100	16,177	39,822
0	37,152	39,210	79,032
3,178	0	11,235	90,267
5,610	86	81,972	172,239
3,250	64,078	125,844	298,083
1,852	29,624	165,537	463,620
1,711	4,924	126,892	590,512
301	0	102,440	692,952
726	0	71,400	764,352
1,780	0	57,000	821,352
953	0	41,436	862,788
245	0	17,712	880,500
0	0	0	880,500
0	0	0	880,500
0	0	0	880,500
0	0	0	880,500
0	0	0	880,500
0	0	0	880,500
0	0	12	880,512
0	0	0	880,512
0	0	0	880,512
0	0	0	880,512
0	0	3,399	883,911
0	0	11,423	895,334
0	0	16,417	911,751
0	0	30,196	941,947
0	0	42,240	984,187
0	0	39,340	1,023,527
0	0	28,133	1,051,660
0	0	30,038	1,081,698
0	0	20,499	1,102,197
0	0	4,724	1,106,921
<u>19,663</u>	<u>137,264</u>	<u>1,106,921</u>	

Table 2.4
Section 8 Contract Terms Used
for Units Completed During
Fiscal Years 1975-79 and 1980-85

<u>Program/type</u>	<u>Contract terms for</u> <u>units completed</u> <u>1975-79</u>		<u>Contract terms for</u> <u>units completed</u> <u>1980-85</u>	
	<u>Minimum^a</u>	<u>Maximum</u>	<u>Minimum</u>	<u>Maximum</u>
	- - - - - (years) - - - - -			
New construction				
HFDA ^b	10	40	20	40
Non-HFDA ^c	10	20	20	20
Section 8/202 ^d	10	20	20	20
Section 8/515 ^e	10	20	20	20
NSA ^f	10	20	20	40
Other ^g	10	20	20	30
Substantial rehabilitation				
HFDA ^b	10	40	15	40
Non-HFDA ^c	10	20	15	20
Section 8/202 ^d	10	20	15	20
Section 8/515 ^e	10	20	15	20
NSA ^f	10	20	15	40
Other ^g	10	20	15	30
Moderate rehabilitation	15	15	15	15
Loan management	10	15	5	15
Property disposition ^h				
Substantial rehabilitation	20	20	20	20
Moderate rehabilitation	20	20	20	20
Other	15	15	15	15
Other ⁱ	10	15	5	15

^aSome program types had minimum contract terms of 5 years. However, because these units were still in the inventory in 1985, the contracts had to have been renewed for an additional 5-year term. We assumed no further renewals, for a total federal commitment of 10 years.

^bHousing finance development agency. Assisted units in a project financed by a loan or loan guarantee from a state or local HFDA.

^cAssisted units in a project financed with the aid of a loan insured or coinsured by the federal government.

^dSection 8 assistance used with section 202 direct loans for elderly or handicapped housing.

^eSection 8 assistance used with FmHA section 515 direct loans for rural housing.

^fNeighborhood strategy area. Section 8 assistance used in NSAs.

^gSection 8 assistance not included in the other program types.

^hSection 8 assistance provided with the sale of HUD-owned properties.

ⁱOther section 8 assistance, including the conversion of units receiving section 23 and rent supplement assistance to section 8 assistance.

Source: 24 C.F.R. parts 880-886.

Table 2.5
HUD-Insured and Assisted Units
as of April 1986^a

<u>Program</u>	<u>Limited distribution or profit-motivated</u>		<u>Total assisted units</u>
	<u>Section 8 units</u>	<u>Other assisted units^b</u>	
Section 236	110,095	163,694	273,789
Section 221(d)(3)BMIR	12,499	53,850	66,349
Section 221(d)(3)market	71,947	12,478	84,425
Section 221(d)(4)market	280,747	673	281,420
Other programs ^c	33,123	2,392	35,515
Total	<u>508,411</u>	<u>233,087</u>	<u>741,498</u>

^aInsurance written and in force as of April 1986.

^bIncludes interest rate reduction, rent supplement, or flexible subsidy assistance.

^cIncludes assisted units in other multifamily mortgage insurance programs, such as those for urban and declining areas (sections 207, 220, and 223); for special interest households (sections 231, 232, 241, and 242); for cooperative and condominium housing (sections 213 and 234); and for mobile homes (sections 608, 609, and 611).

Source: HUD MIDLIS.

Nonprofit			Inventory of federally insured and assisted units		
<u>Section 8 units</u>	<u>Other assisted units^b</u>	<u>Total assisted units</u>	<u>Section 8 units</u>	<u>Other assisted units^b</u>	<u>Total assisted units</u>
48,873	60,454	109,327	158,968	224,148	383,116
10,496	36,142	46,638	22,995	89,992	112,987
33,295	13,624	46,919	105,242	26,102	131,344
434	0	434	281,181	673	281,854
<u>134,755</u>	<u>3,984</u>	<u>138,739</u>	<u>167,878</u>	<u>6,376</u>	<u>174,254</u>
<u>227,853</u>	<u>114,204</u>	<u>342,057</u>	<u>736,264</u>	<u>347,291</u>	<u>1,083,555</u>

Table 2.6
Potential Reduction In HUD-Insured
and Assisted Inventory From Expiring
Mortgage Prepayment Restrictions
Fiscal Years 1995 and 2005^a

<u>Program</u>	<u>Fiscal year 1995</u>		<u>Fiscal year 2005</u>	
	<u>Minimum^b</u>	<u>Maximum^c</u>	<u>Minimum^b</u>	<u>Maximum^c</u>
	- - - - (units in thousands) - - - -			
Section 236	0	164	0	115 ^d
Section 221(d)(3)BMIR	0	54	6	43 ^d
Section 221(d)(3)market	0	12	0	12
Section 221(d)(4)market	0	1	0	1
Other programs	<u>0</u>	<u>2</u>	<u>1</u>	<u>2</u>
Total	<u>0</u>	<u>233</u>	<u>7</u>	<u>173^d</u>

^aFor this analysis we assumed a 20-year mortgage prepayment restriction for limited distribution and profit-motivated owners and no prepayment option for nonprofit owners.

^bAssumes that eligible owners of HUD-insured and assisted units will hold their mortgage loans until maturity, generally about 40 years.

^cAssumes that eligible owners of HUD-insured and assisted units will prepay their mortgages after 20 years. Table 2.7 shows that the total inventory of HUD-insured and assisted units (including section 8) is about 740,000 units. Of this inventory, about 335,000 units are over 10 years old, i.e., they existed before the section 8 program began. The inventory of HUD-insured and assisted units (excluding section 8) is about 233,000 units. Thus, it appears that most of the inventory used in our analysis is over 10 years old and the 20-year mortgage prepayment restriction would expire by the end of fiscal year 1995.

^dThe potential reduction in fiscal year 2005 is less than the reduction in fiscal year 1995 because sections 236 and 221(d)(3) BMIR units receiving section 8 assistance, which expires by the end of fiscal year 2005, would still receive an interest rate subsidy. These units would shift from the section 8 inventory to the HUD-insured inventory, thus offsetting the potential reduction from expiring mortgage prepayment restrictions.

Source: GAO analysis of HUD data.

Table 2.7
Age of HUD-Insured and Assisted Units With
Limited Distribution or Profit-Motivated Owners
as of April 1986

<u>Age of mortgage</u>	<u>Section 236</u>	<u>Section 221(d)(3) BMIR</u>	<u>Section 221(d)(3) market</u>	<u>Section 221(d)(4) market</u>	<u>Other programs</u>	<u>Total</u>
Less than						
1 year	0	0	574	7,107	2,109	9,790
1 year	115	0	1,853	28,492	2,879	33,339
2 years	0	0	1,868	37,342	4,330	43,540
3 years	545	0	1,978	47,874	3,335	53,732
4 years	125	0	2,674	57,880	2,495	63,174
5 years	886	0	4,097	39,021	3,103	47,107
6 years	3,350	0	6,569	34,883	5,421	50,223
7 years	4,845	0	6,153	16,593	4,321	31,912
8 years	10,060	0	2,828	9,932	2,898	25,718
9 years	16,538	0	2,696	1,018	502	20,754
10 years	21,501	126	4,386	187	1,168	27,368
11 years	62,416	791	8,902	383	229	72,721
12 years	58,761	1,174	8,394	372	372	69,073
13 years	42,956	2,628	6,055	176	0	51,815
14 years	36,856	7,057	10,445	0	167	54,525
15 years	13,679	11,897	7,765	47	229	33,617
16 years	776	21,869	5,588	63	124	28,420
17 years	0	7,936	1,528	0	164	9,628
18 years	0	5,063	72	0	64	5,199
19 years	380	2,340	0	0	409	3,129
20 years or more	0	5,468	0	50	1,196	6,714
Total	<u>273,789</u>	<u>66,349</u>	<u>84,425</u>	<u>281,420</u>	<u>35,515</u>	<u>741,498</u>
Total units over 10 years old	<u>215,824</u>	<u>66,223</u>	<u>48,749</u>	<u>1,091</u>	<u>2,954</u>	<u>334,841</u>

Source: HUD MIDLIS.

Table 2.8
FmHA Section 515 Units
Fiscal Years 1974-85

<u>Fiscal year</u>	<u>Section 8 units</u>	<u>Other assisted units^a</u>	<u>Total assisted units</u>
1974	0	10,400	10,400
1975	0	17,350	17,350
1976	0	27,244	27,244
1977	40	30,135	30,175
1978	1,829	28,617	30,446
1979	6,736	29,784	36,520
1980	9,217	21,763	30,980
1981	9,643	19,097	28,740
1982	8,313	22,187	30,500
1983	5,599	18,601	24,200
1984	2,076	25,024	27,100
1985	<u>533</u>	<u>24,967</u>	<u>25,500</u>
Total	<u>43,986</u>	<u>275,169</u>	<u>319,155</u>

^aIncludes interest credits and FmHA section 521 rental assistance.

Sources: CRS and HUD.

Table 2.9
Potential Reduction In FmHA Section 515 Units
From Expiring Mortgage Prepayment Restrictions^a

<u>Year expires</u>	<u>Minimum reduction^b</u>	<u>Maximum reduction^c</u>
1994	0	10,400
1995	0	17,350
1996	0	27,244
1997	0	30,135
1998	0	28,617
1999	0	29,784
2000	0	21,763
2001	0	19,097
2002	0	22,187
2003	0	18,601
2004	0	25,024
2005	<u>0</u>	<u>24,967</u>
Total	<u>0</u>	<u>275,169</u>

^aFor this analysis we assumed a 20-year mortgage prepayment restriction for FmHA section 515 owners.

^bAssumes that FmHA section 515 owners will hold their mortgage loans until maturity, generally 50 years.

^cAssumes that FmHA section 515 owners will prepay their mortgages after 20 years.

Sources: GAO analysis of CRS and HUD data.

Table 2.10
HUD-Held Units
as of September 30, 1985^a

<u>Program</u>	<u>Units</u>
Section 221	73,689
Section 236	42,520
Other programs	<u>45,018</u>
Total	<u>161,227</u>

^aWe did not estimate the number of HUD-held units that received other assistance. However, section 236 and 221(d)(3)BMIR units receive interest subsidies. Many other units probably receive a flexible subsidy payment, which is specifically for troubled projects.

Source: HUD.

(385119)

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